

TO: Chairman Bech Bruun
FROM: Nicole Campbell, Internal Audit Director
DATE: October 31, 2017
SUBJECT: Implementation Status of Audit Recommendations

This semi-annual report provides the status of management's efforts in addressing internal and external audit issues and recommendations.

The Internal Audit Division uses TeamCentral, a web-based database, to track and monitor the implementation status of issues and recommendations resulting from internal and external audits, reviews, and oversight activities. Implementation status is reported in TeamCentral by the individuals identified as responsible for implementing each recommendation. On a semi-annual basis, Internal Audit will perform follow-up audit work to validate the implementation status of corrective actions taken in response to significant audit recommendations and/or related control issues.

This status report covers the period from fiscal year 2012 through October 2017. Implementation status for a total of 213 recommendations resulting from internal audits and audits performed by external oversight agencies have been tracked in TeamCentral since fiscal year 2012. As of October 31, 2017, the following activity has occurred:

- 8% (18 of 213) of the total audit recommendations are pending, and
- 92% (195 of 213) of the total audit recommendations have been implemented.

The attached table shows the number of audit recommendations by project name that have been implemented or were in progress, as of October 31, 2017.

We appreciate management's efforts in addressing the audit issues, and in improving the agency's control environment.

Attachment:

cc: Lauren Graber
Jeff Walker
Amanda Lavin
Todd Chenoweth
Carmen Cernosek

Our Mission

To provide leadership, information, education, and support for planning, financial assistance, and outreach for the conservation and responsible development of water for Texas

Board Members

Bech Bruun, Chairman | Kathleen Jackson, Board Member | Peter Lake, Board Member

Jeff Walker, Executive Administrator

Texas Water Development Board (TWDB)
Internal Audit Division
Implementation Status of Audit Recommendations
As of October 31, 2017

Project Name and Report Date	Implemented	Pending	Total
Review of the Loan Application Process (February 2012)	50	0	50
Review of the State Water Planning Process (July 2012)	23	0	23
Review of the Desired Future Conditions Process (October 2012)	3	0	3
Procurement and Accounts Payable (April 2013)	2	0	2
Review of Project Monitoring (July 2013)	16	1	17
Outlays and Escrows (January 2013)	4	0	4
Review of Revenue Management (February 2014)	9	3	12
Review of the Drinking Water State Revolving Fund Program (February 2014)	17	0	17
Review of Debt & Portfolio Management (April 2014)	1	0	1
Review of Compliance with the Public Funds Investment Act (April 2014)	1	0	1
Review of Professional Fees Paid on ARRA Projects (April 2014)	5	0	5
Review of Loan Recipient Monitoring (August 2014)	4	0	4
Review of the Economically Distressed Areas Program (September 2014)	1	0	1
Review of Quarterly Investment Reports FY2014 (October 2015)	2	0	2
Biennial Review of Compliance with PFIA (January 2016)	3	4	7
Review of Debt Service Payments (August 2017)	0	4	4
Audits Performed by External Oversight Agencies (Various Reports)	44	4	48
Consultations and Advisory Engagements (Various Reports)	10	2	12
Total	195	18	213